GOVERNMENT OF INDIA
WOMEN AND CHILD DEVELOPMENT
LOK SABHA

UNSTARRED QUESTION NO:2215
ANSWERED ON:06.05.2016
Functioning of Rashtriya Mahila Kosh
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Will the Minister of WOMEN AND CHILD DEVELOPMENT be pleased to state:

a) whether the Government has reviewed the functioning of Rashtriya Mahila Kosh (RMK) recently and if so, the details thereof indicating the deficiencies noticed therein;
b) whether the Government had held discussions with bankers and other stakeholders to discuss the possibilities of strengthening and restructuring RMK and plans to build linkages between RMK, Bharatiya Mahila Bank and other financial institutions and if so, the details thereof;
c) whether the Government has launched Mahila E-haat recently and if so, the objectives/goals thereof;
d) whether any MoU has also been signed with any private online e-commerce company for sale of products and if so, the details thereof;
e) the number of defaulters under loan schemes of RMK during the last three years along with the efforts made or mechanism available with the Government to recover the loan; and
f) the further measures taken by the Government to improve the functioning of RMK?

Answer

MINISTER OF WOMEN AND CHILD DEVELOPMENT
(SHRIMATI MANEKA SANJAY GANDH)

a) Rashtriya Mahila Kosh (RMK) is an autonomous organization under the Ministry of Women & Child Development (MWCD). It is a society registered under the Societies Registration Act 1860 and an apex micro-finance organization. The main objective of setting up of RMK was to provide micro-credit to poor women for various livelihood support and income generating activities at concessional terms in a client-friendly procedure to bring about their socio-economic development. In fact, the quasi-formal delivery mechanism, simple procedure, in-built flexibility and concessional rates of interest are some of the hallmarks of the credit packages of the RMK.

RMK has been following the loan guidelines which were framed at the time of its inception. Over the period of time changes in the quantum of loan, interest rates and the loan schemes of RMK have been carried out by Governing Board of RMK. Through these loaning guidelines RMK have made a cumulative sanction of more than Rs.360.00 crore, disbursement of Rs.302.00 crore to more than 7.35 lacs poor women beneficiaries through a network of over 1500 NGOs/IMOs.
As a result of review of the functioning of RMK during 2014-2015, the following measures have been taken by the Government to revamp the RMK:
i) Simplification of Loan Procedures: With a view to make loaning guidelines of RMK more effective and customer friendly, the lending guidelines have been further revised and simplified by the 55th Governing Board (GB) of RMK held on 17.11.2015.

ii) Downward revision in Rate of Interest (RoI): During the past 2 year period, RoI of RMK loans has been revised downward twice. Firstly w.e.f 01.04.2013 maximum RoI chargeable by RMK to NGO was reduced from 8 % to 6 % and by NGOs to end beneficiary from 18% to 14 %. RoI chargeable to end beneficiaries by NGOs have been further reduced to 10 % from 14 % as per 55th Governing Board (GB) meeting held on 17.11.2015.

b) The 52nd GB of RMK in its meeting dated 03rd December, 2014 decided to continue lending loan to poor women @ 6% p.a. against recommended interest rate of 9 − 10 %.

c) Yes, Madam. The Mahila E-haat was launched by the Hon'ble Minister of MWCD on 7th March, 2016 at New Delhi.
The Vision, Mission and Goal of Mahila E-haat are:
Vision: to empower & strengthen financial inclusion of Women Entrepreneurs in the economy by providing continued sustenance and support to their creativity.

Mission: to act as a catalyst by providing a web based marketing platform to the women entrepreneurs to directly sell to the buyers.

Goal: to support 'Make in India' through digital marketing platform.

d) No, Madam.

e) The cumulative net numbers of defaulters under loan schemes of RMK is 454 as on 31.03.2015. In the event of default, necessary legal action under Section 138 of Negotiable Instrumental Act, filling of Civil Suit and other recovery proceeding through appointment of Arbitrator are taken. Simultaneously the defaulting NGOs are blacklisted whereby they are debarred from availing any sort of grants or aid by any Central / State Govt. agency.

f) The functioning of RMK is being further strengthened through addition of Mahila E-haat portal, revision of loan guidelines and

downward revision of interest rates.
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